

**STATE OF RHODE ISLAND  
PUBLIC UTILITIES COMMISSION**

**IN RE: THE OFFICE OF ENERGY RESOURCES** :  
**BUDGET REQUESTS TO PERFORM CEILING** : **DOCKET NO. 4604**  
**PRICE SERVICES OR STUDIES FOR THE** :  
**RENEWABLE ENERGY GROWTH PROGRAM** :

**ORDER**

On February 25, 2021, OER, in collaboration with the Distributed Generation Board (DG Board), made a separate request for funding not to exceed \$255,752 to retain the services of a consultant pursuant to R.I. Gen. Laws §39-26.6-4(b).<sup>1</sup> Based on a memorandum provided by the consultant, Sustainable Energy Advantage (SEA) would be retained to perform the ceiling price studies for the 2021 RE Growth Program Year and to participate in the 2021 RE Growth Program proceedings before the PUC.<sup>2</sup> On April 8, 2021, following an April 5, 2021 technical session with SEA, OER, and the Division of Public Utilities and Carriers (Division), OER submitted a revised memorandum from SEA to provide two alternative budget options based on different scopes of work, one with a solar + storage support component and one without.<sup>3</sup> At an Open Meeting held on April 29, 2021, the Commission approved a modified budget not to exceed \$164,565.<sup>4</sup>

In addition to the ceiling price development and support, this year's filing included funding for SEA to evaluate the 2021 Renewable Energy Growth Program Year solar carport pilot (Task 2) and to support a solar plus storage adder option (Task 4). For the first time, the budget included

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<sup>1</sup> OER Funding Request (Feb. 25, 2021); <http://www.ripuc.ri.gov/eventsactions/docket/4604-OER-BudgetRequest%202-26-21.pdf>.

<sup>2</sup> *Id.*

<sup>3</sup> OER Revised Funding Request (Apr. 8, 2021); <http://www.ripuc.ri.gov/eventsactions/docket/4604-OER-Updated-Memorandum%202022%20REG%20Program%20Funding%20Support%204-9-21.pdf>.

<sup>4</sup> Typically, OER also files a separate budget request to engage a consultant to conduct quality assurance assessments of RE Growth installations. At a hearing on the 2021 RE Growth Program Year (Docket No. 5088), Ms. Beland from OER explained that the funds approved in 2020 were largely unspent due, in large part to COVID-19 related factors. As a result, OER only spent approximately \$7,600 of the approved budget. OER did not make a filing this year for additional funds related to quality assurance studies. See Docket No. 5088 Hr'g. Tr. at 159-163 (Jan. 27, 2021); OER Response to RR-2 (Feb. 5, 2021).

a line item described as “budgetary headroom” to address future National Grid decisions or enactment of new law or policies prior to the finalization of the 2022 RE Growth Program Year targets, classes, and ceiling prices.<sup>5,6</sup> In its budget, SEA included funding for Task 0 which was the setting of ceiling prices. Task 1 was labeled “incremental ceiling price assistance.” This was described as activities closely related to ceiling price development but not immediately within the contracted scope of service for setting of ceiling prices. It included three specific subtasks, the first of which was titled “feasibility of incorporating single-axis tracking into 2023 [program year] ceiling prices,” the second of which was titled “sensitivity analysis of residential ceiling prices by tilt/azimuth,” and the third, “potential further subdivision of solar classes/targeting of compensation to enhance ratepayer savings.” SEA explained that under Task 1.1, it would investigate if single-axis tracking should be assumed for all or part of the population of Medium, Commercial or Large Solar projects for the 2023 program year, and whether doing so would balance ratepayer benefit with technical feasibility and market development. Activities under this task will include liaising with stakeholders to determine whether trackers can bear snow load, or whether projects utilizing trackers can be sited on disturbed parcels (or other parcels with atypical siting characteristics) or parcels with more unevenness or slope than what has been technically possible for single-axis tracker installations historically. In addition, SEA would examine the cost of land acquisition for such projects as well.<sup>7</sup> Task 1.2 was focused on determining if the capacity factor calculations were still appropriate or if they needed to be updated. Task 1.3 was included

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<sup>5</sup> OER Funding Request and Revised Funding Request at 1.

<sup>6</sup> As part of its approval of the 2020 Renewable Energy Growth program ceiling prices, the PUC approved an additional incentive payment (adder) under R.I. Gen. Laws § 39-26.6-22 to solar carport projects on a limited one-year pilot basis. The PUC also directed OER and the DG Board to report on what they learn about the carport adder. By a vote of 2-1, the PUC approved a one-year extension of the pilot for the 2021 RE Growth Program Year with modifications presented jointly by National Grid and OER to learn more. PUC Minutes discussing Docket 5088, In re: 2021 Renewable Energy Growth Program – Classes Ceiling Prices, and Capacity Targets and 2021 Renewable Energy Growth Program – Tariffs and Solicitation and Enrollment Process Rules (Feb. 18, 2021).

<sup>7</sup> OER Revised Funding Request at 2.

in response to concerns raised from the Bench about the clustering of projects at the top end of the class size which could affect cost of the program. Tasks 5-7 were related to stakeholder engagement, SEA participation in PUC proceedings, and administrative engagement between SEA and OER.

On April 20, 2021, the Division submitted a memorandum authored by its consultant, Michael Brennan. Mr. Brennan supported the budget as filed, but challenged the solar + storage task on the basis that the law requires National Grid and not OER or the DG Board to assess the feasibility and incremental benefits to ratepayers of including storage paired with solar in the program.<sup>8</sup> Turning to subtask 1.1, Mr. Brennan recommended that solar prices should continue to be set assuming fixed tilt configurations to avoid unnecessary complexity and encourage competition. He opined that the competitive bidding process should allow for projects that can improve their performance and economics by using tracking systems or any other factor that reduces costs or improves output should be positions to outbid other projects thereby reducing the cost of the program.<sup>9</sup>

Referencing the technical session conducted on April 5, 2021, Mr. Brennan cautioned against the additional analysis proposed to be funded through Task 1.2. He suggested that National Grid should already have data available to calculate an appropriate capacity factor for a “typical” system. Because the RE Growth Program is designed to be a competitive process, a single ceiling price is the most appropriate approach of the Small Solar I class because it is clear and simple. Setting a single ceiling price, according to Mr. Brennan, should encourage developers to choose

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<sup>8</sup> Brennan Mem. at 3, citing R.I. Gen. Laws § 39-26.6-22.

<sup>9</sup> Brennan Mem. at 1-2.

favorable siting conditions which would lower the cost of the program. He noted that there are other options available for customers who do not have favorable siting locations.<sup>10</sup>

Addressing subtask 1.3, Mr. Brennan supported continued efforts to explore a further subdivision of the solar classes but, noting changes that had been made to the class sizes in the 2021 RE Growth Program, suggested that an initial review of the first enrollment be undertaken to before any further subdivisions occur. He also suggested that the Large solar class already has sufficient competition in its results and that this class should be removed from the assessment to reduce the cost of the subtask.

At an Open Meeting on April 29, 2021, the PUC reviewed the record and approved a budget not to exceed \$164,565. The PUC started with the option that removed the solar + storage adder investigation, finding that the initial burden to review and propose ceiling price adders lies with National Grid and inclusion in the budget request is premature. Next, the PUC removed funding for the headroom, finding it to be speculative. The PUC noted that if a major legislative change were enacted and which required additional work by SEA, OER could return to the PUC for supplemental funding. Funding for subtask 1.1 was also removed because the PUC agreed with Mr. Brennan that National Grid should begin collecting data (if not already) on whether proposed systems are fixed tilt or tracking in order to analyze this in the future.<sup>11</sup> Finally, the PUC noted that subtask 1.2 appears to be the sort of activity that would naturally be included in the setting of ceiling prices. The \$65,000 included in Task 0 was the full budget for a number of years. It may make more sense in the future, to include all tasks required for setting the ceiling prices in one line item broken out into subtasks rather than breaking them out into their own tasks.

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<sup>10</sup> *Id.* at 2.

<sup>11</sup> *See* Brennan Mem. at 2.

Accordingly, it is hereby

(24235) ORDERED:

The Rhode Island Office of Energy Resources' is allowed funding from the Renewable Energy Growth Program budget to retain the services of a consultant to develop ceiling prices for the 2021 Renewable Energy Growth Program; evaluate the 2021 Renewable Energy Growth Program Year carport pilot; and otherwise participate in PUC proceedings related to the Renewable Energy Growth Program in an amount not to exceed \$164,565.

EFFECTIVE AT WARWICK, RHODE ISLAND, PURSUANT TO AN OPEN MEETING DECISION ON APRIL 29, 2021. WRITTEN ORDER ISSUED OCTOBER 5, 2021.

PUBLIC UTILITIES COMMISSION



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Ronald T. Gerwatowski, Chairman



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Abigail Anthony, Commissioner



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John C. Revers, Jr., Commissioner

**NOTICE OF RIGHT OF APPEAL:** Pursuant to R.I. Gen. Laws § 39-5-1, any person aggrieved by a decision or order of the PUC may, within seven days from the date of the order, petition the Rhode Island Supreme Court for a Writ of Certiorari to review the legality and reasonableness of the decision or order.